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June 25, 1992

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FEDERAL COMMUNICATIONS COMMISSION  
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Ms. Donna Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

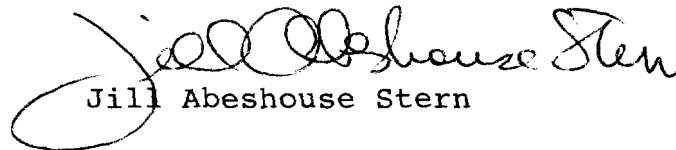
Re: Loral Qualcomm Satellite Services, Inc.  
ET Docket No. 92-28; File No. PP-31

Dear Ms. Searcy:

On behalf of Ellipsat Corporation, I am transmitting here-  
with an original and four copies of its "Motion to Strike" with  
respect to the above-referenced pioneer's preference request.

Should there be any questions concerning this matter, kindly  
contact the undersigned.

Very truly yours,

  
Jill Abeshouse Stern

JAS:csg  
Enclosures

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Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

JUN 25 1992

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the matter of:	)	
	)	
LORAL QUALCOMM SATELLITE	)	
SERVICES, INC.	)	ET Docket No. 92-28
	)	
Request for a Pioneer's	)	File No. PP-31
Preference with regard to	)	
Its Application for Authority	)	
To Construct GLOBALSTAR, a	)	
Low-Earth Orbit Satellite	)	
Communications System	)	

MOTION TO STRIKE

Ellipsat Corporation ("Ellipsat"), by its attorneys, hereby moves to strike the "Supplement to Request for Pioneer's Preference" filed June 12, 1992 by Loral Qualcomm Satelllite Services, Inc. ("LQSS"). In support whereof, the following is shown.

1. On June 12, 1992, LQSS filed a supplement to its pioneer's preference request. The supplement consists of patents, studies and test reports that LQSS alleges are relevant to its preference claim. Not only are the supplemental materials irrelevant to the preference, but LQSS has not provided any legitimate evidence of entitlement to a preference.

2. The LQSS submission illustrates the dangers, fully detailed in Ellipsat's June 12, 1992 comments relating to Motorola's supplemental materials, of confusing the pioneer's preference with the patent process. As Ellipsat previously made clear, the Commission, for good reason, never intended to treat

the patent process as synonymous with the preference. The Commission has expressly stated that the preference relates to "broad-based radio services" while patents merely apply to equipment and specific services. System concepts involve ideas that are not patentable, in contrast to specific devices and methods that may be protected by patent.

3. The Qualcomm patents relate to cellular service or to geostationary satellite communications, not to low earth orbiting satellites. There is no evidence that the patents --- all of which involve methods or equipment like receivers, control circuits and amplifiers --- have any relevance to low earth orbiting satellites in general or to the LQSS system in particular. Even Appendix A, which seems to involve system claims, relates to geostationary satellites. By contrast, in its supplement Ellipsat submitted only patent information directly relevant to the ELLIPSO™ system.

4. It bears emphasis that Qualcomm did not invent CDMA. While Qualcomm may have developed an application of the CDMA approach, each of the spread spectrum applicants will necessarily develop its own unique implementation of CDMA techniques.

5. The LQSS submission further illustrates Ellipsat's observation, in its June 12, 1992 comments on Motorola's supplement, that all of the LEO applicants will need to develop unique system features and components in implementing their system

designs. As detailed in Ellipsat's June 12, 1992 comments, incorporated herein by reference, system implementation decisions should not be confused with the innovation that the preference rewards. All of Qualcomm's patents can be characterized as either system components or methods relating to system implementation (and not necessarily implementation of the Globalstar system.)

6. In its supplemental filing, LQSS repeatedly stresses the novelty of the Globalstar technology. While Ellipsat does not want to discredit LQSS expertise, it is absurd to even consider a preference award to any of the June 3, 1991 applicants given their opportunity to analyze the Ellipsat (and Motorola) applications for more than six months before filing their own applications.

7. Reflecting the extent to which the LQSS application is derivative, the Commission may be interested to learn that, at the request of Dr. Irwin Jacobs, CEO of Qualcomm, Dr. Castiel, CEO of Ellipsat, made a presentation about ELLIPSO™ to Dr. Jacobs and Qualcomm's engineering staff on March 26, 1991 at the company's headquarters in San Diego. Dr. Castiel agreed to make the presentation to Qualcomm because, at that time, the parties were exploring the possibility of collaboration. During his day-long presentation, Dr. Castiel described the ELLIPSO™ system in great detail, and confidential business and technical information was

provided to Dr. Jacobs. Among the areas discussed with Qualcomm in March 1991 were orbital parameters, interconnection with the ground system, spacecraft characteristics and economic data. In light of this detailed presentation (and the blueprint provided by Ellipsat's application), Ellipsat finds it surprising that LQSS claims, on page 8 of its supplement, that the following features of its system are innovative: phased deployment, worldwide coverage with minimum satellites, extremely simple transponder design, and technology to avoid crosslinks. These are all fundamental features of ELLIPSO™.

8. Ellipsat is not questioning LQSS' right to file an application, or to pursue its own business activities. However, Ellipsat very strongly challenges the LQSS attempt to claim a preference as an innovator, and to minimize Ellipsat's pioneering role. Ellipsat mentions the above circumstances solely to underscore the unrefutable fact that the other applicants, including LQSS, had more than 6 months -- between November 1990 and June 1991 -- to develop competing proposals (and to educate themselves at Ellipsat's expense.) These circumstances will be more fully explored in Ellipsat's opposition to LQSS' motion to strike Ellipsat's supplement.

9. The pioneer's preference was intended to encourage innovators to come forward and undertake the onerous regulatory burdens that accompany introduction of a new service. This

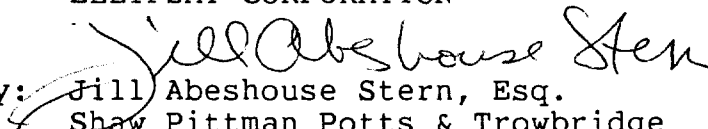
proceeding, which Ellipsat initiated, is a case book illustration of the administrative nightmare that an innovative company, like Ellipsat, faces in seeking to license a new service. Imitators used the Ellipsat application, including Ellipsat's technical and market approach (and its choice of the RDSS frequencies), as a blueprint to develop and file their competing applications upon the invitation of the Commission. Needless to say, award of a preference to any of the June 3, 1991 LEO applicants, including LQSS, would turn the concept of a preference "on its head."

#### Conclusion

For the foregoing reasons, the LQSS supplement should be stricken from the record. At a minimum, LQSS' supplemental materials are irrelevant and should be disregarded.

Respectfully submitted,

ELLIPSAT CORPORATION

By:  Jill Abeshouse Stern, Esq.  
Shaw Pittman Potts & Trowbridge  
2300 N Street, N.W.  
Washington, D.C. 20037  
(202) 663-8300

Counsel to Ellipsat Corporation

June 25, 1992


AFFIDAVIT

I, David Castiel, being duly sworn, hereby declare and state as follows:

1. I am the Chairman and Chief Executive Officer of Ellipsat Corporation.

2. I have reviewed the foregoing Motion to Strike the Supplement to Pioneer's Preference Request of Loral Qualcomm Satellite Services, Inc.

3. All of the facts contained in the foregoing letter, except those as to which official notice may be taken, are true and correct to the best of my knowledge, information and belief.

  
David Castiel

District of Columbia      )  
                                  ) ss:

I, Wanda M. Akers, a Notary Public in and for the District of Columbia, do hereby state that on this 25th day of June, 1992, David Castiel personally appeared before me and attested that the above information is true and correct to the best of his knowledge and belief.

  
Notary Public

My Commission Expires: My Commission Expires September 30, 1996

CERTIFICATE OF SERVICE

I, Carla S. Gales, hereby certify that a copy of the foregoing document was served by first-class mail, postage prepaid, this 25th day of June, 1992 on the following persons:

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Washington, D.C. 20554

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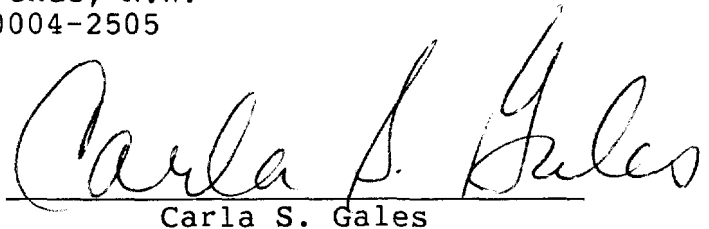
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